



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 14-14)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English,
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 14-14 with attached transmittal and policy justification.

Dated: June 18, 2014.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

JUN 11 2014

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 14-14, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the Government of Brazil for defense articles and services estimated to cost \$110 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

J.W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification



Transmittal No. 14-14

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Brazil
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$110 million</u>
TOTAL	\$110 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 40 M109A5 kits to upgrade 40 M109A5 Self Propelled Howitzers to the M109A5+ configuration, spare and repair parts, support equipment, tools and test equipment, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor technical, engineering, and logistics support services, and other related elements of logistics and program support.
- (iv) Military Department: Army (UUM)
- (v) Prior Related Cases, if any: FMS case IAJ-\$400K-5Apr13
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None
- (viii) Date Report Delivered to Congress: 11 June 2014

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Brazil – M109A5+ Upgrade Kits.

The Government of Brazil has requested a possible sale of 40 M109A5 kits to upgrade 40 M109A5 Self Propelled Howitzers to the M109A5+ configuration, spare and repair parts, support equipment, tools and test equipment, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor technical, engineering, and logistics support services, and other related elements of logistics and program support. The estimated cost is \$110 million.

The proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of Brazil, which has been, and continues to be, an important force for regional stability and economic progress in South America.

Brazil will use this equipment to modernize its artillery capability and enhance the Brazilian Armed Forces' readiness. The reconfigured howitzers will provide the Brazilian Army with a much needed upgrade to this capability while further enhancing interoperability with U.S. and other military forces. Brazil will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be BAE Systems in York, Pennsylvania. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require two (2) U.S. Government or contractor representatives to travel to Brazil for a period of up to one (1) year to provide assistance during the upgrade of these 40 vehicles. There are no known offset agreements proposed in connection with this potential sale.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

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